



## Crop Insurance Transparency Act

Projected to cost \$100 billion in this decade alone, the Federal Crop Insurance Program is the most expensive program in the farm safety net. The program not only pays for most of the cost of farmers' crop insurance premiums, but also for insurance companies to provide the policies, and it guarantees them excessive profits. However, taxpayers have no way of knowing who has received this support because current federal law prohibits the U.S. Department of Agriculture (USDA) from disclosing the identities of crop insurance subsidy recipients. In this regard, the crop insurance program stands alone since Congress has not prohibited USDA from disclosing data on any other farm safety net program.

The limited public data available on crop insurance points to the urgent need for more oversight and accountability in the program. Research shows that \$1 in every \$3 spent on the crop insurance program flows to private insurance companies and agents, not farmers, totaling \$58.8 billion since 2001. Despite the massive spending, there is no way to determine how much a given insurance company or agent receives each year in federal subsidy. Furthermore, there are nearly 20,000 farmers who have received an average of \$1 million per year in commodity subsidies for 37 consecutive years. Many of these millionaire and billionaire farmers are likely receiving substantial crop insurance premium subsidies; however Congress has prohibited the public from knowing how many of these recipients there are and how much they receive.

Through the Farm Bill, Congress can inject much-needed transparency into the crop insurance program. **The Crop Insurance Transparency Act will do this by:**

- Requiring USDA to publicly disclose the names of producers who receive federally subsidized crop insurance, the amount of federal subsidy they received, and the federal portion of indemnities paid toward insured losses;
- Requiring USDA to publicly disclose the names of private insurance providers that receive federal subsidies, the amount paid to cover company administrative and operating expenses, and the federal portion of indemnities and reinsurance costs;
- Prohibiting USDA from publicly disclosing information about the most basic crop insurance coverage option (catastrophic risk protection) that accounts for only a small portion of federal crop insurance spending.

Reform begins with accurate information. It is time for crop insurance to meet the same transparency requirements as every other farm safety net program.

**Endorsed by:** Taxpayers for Common Sense, R Street, Environmental Working Group, Heritage Foundation, National Sustainable Agriculture Coalition, National Taxpayers Union, Taxpayers Protection Alliance, Farm Action, Public Interest Research Group.